

EXHIBIT A

Press Release

[Print Page](#) | [Close Window](#)

The Children's Place Retail Stores, Inc. Announces Refurbishment Amendment With The Walt Disney Company; Company Provides SEC Filings/Nasdaq Listing Update

SECAUCUS, N.J., Aug 31, 2007 (PrimeNewswire via COMTEX News Network) -- The Children's Place Retail Stores, Inc. (Nasdaq:PLCE) today announced that it has entered into a refurbishment amendment to the license agreement with The Walt Disney Company (Disney) which modifies certain aspects of the agreement entered into in June of 2007 and the original license agreement entered into in November 2004. This refurbishment amendment supersedes and replaces the June letter agreement. As a result of this refurbishment amendment, the Company has addressed the breach referenced in the August 23rd press release. In addition, the Company has received a waiver from its lenders regarding the cross-default under the secured credit facility for the Disney Store chain, which was also mentioned in the August 23rd press release. Under its license agreement with The Walt Disney Company the Company operates the Disney Store chain in the United States and Canada.

As previously announced, on June 8, 2007, the Company and Disney executed a letter agreement which modified certain provisions of the parties' long-term license agreement, to address claims by Disney that the Company had committed numerous material breaches of the license agreement. The June letter agreement provided that Disney would treat the Company's breaches as having been cured so long as the Company complied with the terms of the June letter agreement. The June letter agreement imposed specific obligations on the Company with respect to the remodeling and refreshing of numerous stores in the Disney Store chain between fiscal 2007 and fiscal 2011 and, for the stores to be remodeled in fiscal 2007 and fiscal 2008, set forth a detailed timetable for submission of plans and completion dates.

As previously announced on August 23, 2007, the Company had been unable to meet several of the deadlines set forth in the June letter agreement and identified various upcoming deadlines during the third and fourth quarters of fiscal 2007 that it would likely miss. The Company and Disney engaged in discussions regarding potential changes to the requirements of the June letter agreement that would postpone the due dates of certain of the Company's remodel and maintenance obligations and require the Company to remodel two additional stores. Following such discussions, the companies reached an agreement regarding an amended timeline for store remodels and "maintenance refreshes."

The amended timeline for store remodels is as follows:

Fiscal Year:	# of Store Remodels as per June Letter Agreement	# of Store Remodels as per Refurbishment Amendment	Net Increase/ (Decrease) in the # of Store Remodels
2007	9	7	-2
2008	67	49	-18
2009	53	60	7
2010	70	70	0

2011	35	50	15
Total	234	236	2

The amended timeline for the "maintenance refresh" program is as follows:

Due Date:	# of Maintenance Refreshes as per June Letter Agreement	# of Maintenance Refreshes as per Refurbishment Amendment	Net Increase/ (Decrease) in the # of Maintenance Refreshes
12/31/2007	28	10	-18
3/31/2008	76	75	-1
6/30/2008	61	80	19
Total	165	165	0

Also as previously discussed in the Company's August 23, 2007 press release, in consideration for these changes, the Company agreed to amend the original license agreement to allow Disney to relocate its flagship store in Manhattan and also relaxed the restrictions on Disney's ability to grant direct licenses for the sale of Disney merchandise to specialty retail stores other than children's specialty retail stores.

The Company commented that the refurbishment amendment should not have a material impact on its fiscal 2007 earnings per share guidance range, given in its August 23rd press release.

While the Company believes that it will be able to meet its obligations under the license agreement and the refurbishment amendment, its ability to meet these obligations will depend on numerous factors, some of which are beyond the Company's control. Consequently, there can be no assurance that the Company will be able to meet all of its obligations. If the Company fails to meet its obligations under the license agreement and/or the refurbishment amendment, it may breach the license agreement, the refurbishment amendment or both.

SEC Filings/Nasdaq Update

The Company also reported that it would not be filing with the Securities and Exchange Commission today, August 31st, as earlier targeted, its Annual

Report on Form 10-K for the fiscal year ended February 3, 2007, including its audited annual financial statements, and its quarterly reports on Form 10-Q for second and third quarters of fiscal 2006 and first quarter of fiscal 2007. As announced by the Company on August 23rd, recent developments have required that the Company address certain matters in the reports that previously had not been anticipated. The Board of Directors is still reviewing the circumstances surrounding certain violations of the Company's policies and procedures by two executives of the Company and is considering the appropriate actions to take regarding these matters. Although the Company does not currently expect these violations to result in a material change to the Company's previously reported results of operations, the Board must determine the actions to take on these matters before the Company files its Form 10-K and the other SEC reports.

Due to the delay in filing the Company's delinquent SEC reports, the Company will be requesting that the Board of Directors of the Nasdaq Stock Market grant it additional time to complete and file such reports. As announced by the Company on August 23rd, the Nasdaq Board has taken under consideration the decision to extend until September 4, 2007 the time period in which the Company may file these reports as previously granted to the Company by the Nasdaq Listing and Hearing Review Council. In connection with its review, the Board has put on hold any future action by the Council to delist the Company's stock from Nasdaq pending the Board completing its consideration of and acting on the matter. There is no assurance that the Nasdaq Board will grant the Company additional time for filing with the SEC the required reports or, if granted, that it will be able to file the reports by any new deadline. If the Company does not comply with any new deadline established by the Board, it anticipates that its shares will be delisted from Nasdaq.

The Company remains committed to becoming current in its periodic reporting as soon as practicable.

The Children's Place Retail Stores, Inc., is a leading specialty retailer of children's merchandise. The Company designs, contracts to manufacture and sells high-quality, value-priced merchandise under the proprietary "The Children's Place" and licensed "Disney Store" brand names. As of August 4, 2007, the Company owned and operated 883 The Children's Place stores, 328 Disney Stores in North America and its online stores, www.childrensplace.com and www.disneystore.com.

This press release may contain certain forward-looking statements regarding future circumstances. These forward-looking statements are based upon the Company's current expectations and assumptions and are subject to various risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements including, in particular, the risks and uncertainties relating to the Company's performance of its obligations to The Walt Disney Company, the previously announced pending restatement of the Company's historical financial statements, the delays in filing the Company's periodic reports with the Securities and Exchange Commission, the pending Nasdaq proceedings regarding the Company's continued listing, the shareholder litigation commenced against the Company and certain of its officers and directors, and potential other governmental proceedings affecting the Company, as well as the risks and uncertainties described in the Company's filings with the Securities and Exchange Commission. Actual results, events, and performance may differ. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to release publicly any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. The inclusion of any statement in this release does not constitute an admission by the Company or any other person that the events or circumstances described in such statement are material.

This news release was distributed by PrimeNewswire, www.primenewswire.com

SOURCE: The Children's Place Retail Stores, Inc.

The Children's Place Retail Stores, Inc.

Investors:

Susan Riley, EVP, Finance & Administration
(201) 558-2400
Susan LaBar, Manager, Investor Relations
(201) 453-6955

Financial Dynamics

Media:

Cara O'Brien or Leigh Parrish
(212) 850-5600